



## Halcyon Agri (Sudcam): Ruinous rubber

Sudcam, a subsidiary of Singapore based Halcyon Agri, is responsible for devastating forest clearance in Cameroon, resulting in dispossession of community lands and other impacts on human rights, including those of indigenous Baka people.

### Problem Analysis

This case shows how the nexus in postcolonial Africa between kleptocratic regimes and foreign investors obstructs attempts to hold multinationals accountable and ensure victims' access to remedy. Cameroon, ruled by a head of state in power for 35 years, is characterized by widespread corruption and rent-seeking at all levels, constant involvement of the ex-colonial power, little or no transparency, low democratic accountability, poor access to justice and absence of the rule of law.<sup>1,2,3,4,5,6</sup> It is extremely difficult for ordinary citizens, community organizations and civil society to obtain recognition of their rights, much less enforcement of them. Nonetheless, multinational companies like Halcyon Agri and their European taxpayer-financed allies like CIRAD, which partnered with the company from 2014 to 2017, operate in Cameroon, often attracted by special conditions like tax exemptions and protections against future legal changes. There is neither host nor home-state accountability.

### Company

**Company:** Halcyon Agri Corporation Limited<sup>7</sup> (Halcyon Agri)

Halcyon is the parent company of Halcyon Rubber & Plantations Pte. Ltd. (formerly GMG Global Ltd.), Singapore, which is the parent company of Cameroon Holdings Pte. Ltd. (formerly GMG Investments Pte. Ltd.), which is the parent company of Société de Développement du Caoutchouc Camerounais S.A. (SDCC) (formerly GMG International S.A.). Sud-Cameroun Hévéa S.A. is a joint venture between SDCC and the Cameroonian company Société de Production de Palmeraies et d'Hevea S.A. (SPPH).<sup>8</sup> As of 22 August 2016, Halcyon Agri Corporation Limited operates as a subsidiary of Sinochem International (Overseas) Pte Ltd.<sup>9</sup>

**Head office:** Singapore

**Subsidiary:** Sud-Cameroun Hévéa S.A. (Sudcam)<sup>10</sup>

### Company background

**Publicly listed company (Singapore exchange)**

**Top 5 shareholders:** Sinochem International Corp. (54.99%),

China-Africa Development Fund Co., Ltd. (Invst Mgmt) (10.21%), Gondobintoro Family, Robert Günther Meyer, Credence Partners Pte Ltd.<sup>11</sup>

**CEO:** Robert Meyer<sup>12</sup> (income: SGD 2,100,000 = EUR 1,378,000)<sup>13</sup>

**President:** Liu Hongsheng<sup>14</sup>

**Annual profit:** US\$ 71,942,000 (2016)<sup>15</sup>

**Annual turnover:** US\$ 1,010,310,000 (2016)<sup>16</sup>

**Presence:** Halcyon has rubber production factories (33) and land ownership in Indonesia, Malaysia, Thailand, China, Ivory Coast and Cameroon. It distributes its products through a network of logistics assets and sales offices in 39 cities spanning Asia, Europe, Africa, and North America.<sup>17,18,19</sup>

**Number of employees:** 10,000–250,000<sup>20</sup>

**Other companies involved:**

- Société de Production de Palmeraies et d'Hevea S.A. (SPPH), Cameroon, is one of the two partners in the Sudcam joint venture, owning 20%.
- Hévéa Cameroun S.A. ("Hevecam"), Cameroon: another rubber plantation company involved in forest clearance and social conflicts and a sister company of Sudcam, controlled 90% by SDCC. The other 10% of Hévéa Cameroun S.A. is owned by the Cameroonian state. Hevecam has a rubber processing factory where Sudcam natural rubber is processed.

### Company activity

Natural rubber supply chain management, including plantation development and management, processing and distribution.<sup>21</sup>

### Country and location in which the violation occurred

Cameroon: Meyomessala, Meyomessi and Djoum subdivisions

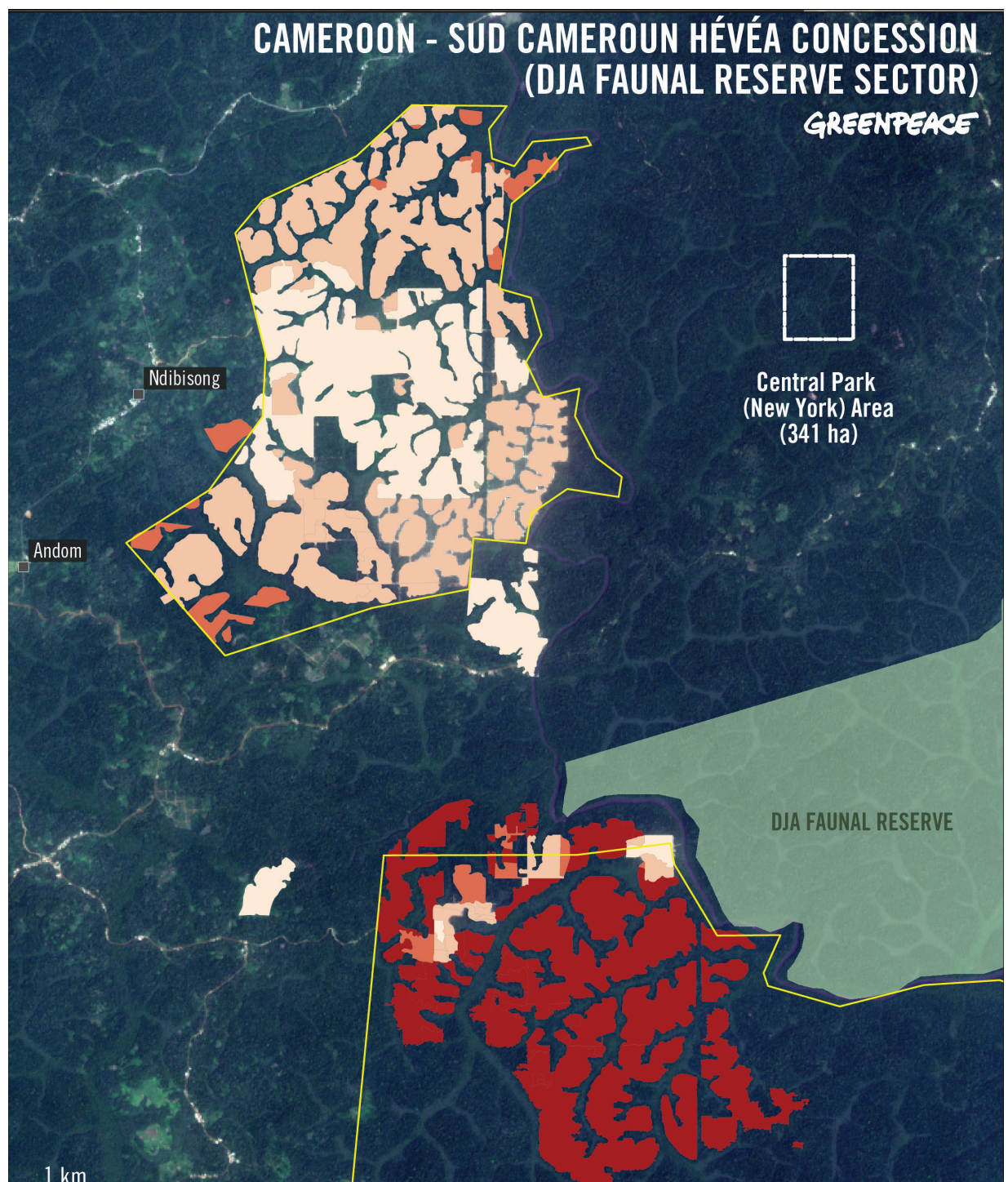
### Summary of the case

Between 2008 and 2015, the Cameroonian government awarded Sudcam, Halcyon Agri's subsidiary, land rights to more than 75,000 hectares. In 2011, the Cameroonian government and Sudcam signed a convention for the

duration of 50 years, renewable for another 25 years, granting the company tax exemptions and protection against unfavourable legal changes, amongst others. Since then the company has cleared more than 9,000 hectares of dense tropical forest in the south of Cameroon to develop

a rubber plantation. The Sudcam plantation is by far the most devastating new clearing of forest for industrial agriculture in the Congo Basin.<sup>22</sup>

Te Sudcam plantation area is very close to the Dja Faunal Reserve, listed as a UNESCO World Heritage site since 1987





due to its outstanding plant and wildlife biodiversity.<sup>23,24</sup> In 2012 UNESCO's World Heritage Centre and IUCN concluded that the reserve met the criteria for inscription on the List of World Heritage in Danger. They warned that the development of Sudcam would result in additional human pressures on the Dja Reserve. Remarkably, UNESCO failed to mention this threat in a subsequent field mission report three years later.<sup>25</sup> In 2016, Greenpeace wrote to UNESCO to express its support for a draft decision to inscribe the Dja reserve on the List of World Heritage in Danger and to highlight the danger posed by Sudcam.<sup>26</sup> The draft decision, however, was rejected by the government parties of the World Heritage Committee.<sup>27</sup>

In 2013, the EU-financed Independent Observer of Forestry Control recommended the clearing of at least 11,300 hectares of forest, despite the obvious impact of the plantation.<sup>28</sup> The Independent Observer admitted it provided this crucial green light without having checked the legality of Sudcam's land tenure or plantation operations, which it described as beyond its objectives.<sup>29</sup> The devastating impact of the plantation did not stop the French publicly funded research institute CIRAD (Centre de coopération internationale en recherche agronomique pour le développement) from signing a 'long-term collaboration' with Sudcam's parent company to help the company 'maximise productivity and yield'.<sup>30,31</sup> This partnership ended, prematurely, early 2017.

Forest clearing by Sudcam is ongoing. Divisional and subdivisional authorities are reported to react to community claims and actions with threats and intimidations.<sup>32</sup> Rainforest Foundation UK has reported on this and local inhabitants have testified to Greenpeace Africa that the Sudcam plantation has led to widespread dispossession of community lands and resources, including those of indigenous Baka people, as well as demolition of settlements, graves and farms. They have also lamented over the very poor or non-existent consultation and inadequate compensation.<sup>33,34</sup> Dispossessed people claim they are left with minimum land to grow food to feed their families, while they have no access to alternative employment. Instead of being heard, they are threatened with imprisonment by local authorities. Unregistered forest land in Cameroon is considered to be the property of the state. Cameroonian law fails to acknowledge customary land tenure, making Cameroonians who live in rural communities little better than squatters on their own land.<sup>35</sup>

In 2014, Greenpeace Africa contacted Sudcam requesting information about its company structure, its finance, its land acquisitions, its application of the FPIC principle and its plantation development plans.<sup>36</sup> No reaction was received.

Halcyon Agri, a multinational rubber company, is colluding with one of the world's longest-ruling autocrats to satisfy

global rubber markets and benefiting from the opacity of France's overseas "development" policy.

The government of Cameroon awarded temporary grants and an absolute grant to Sudcam for plantation development, disrespecting the free, prior and informed consent of local communities and indigenous peoples living in the area. Transparency about the land acquisition is absent and none of the concession decrees have been published.<sup>37,38,39,40</sup> According to researchers, the award of the land to Sudcam violated the criteria specified in Cameroon land regulations because it was already awarded to logging companies. They qualify the award as an instance of 'the use of law for political ends in Africa'.<sup>41</sup>

Various sources suggest Paul Biya, one of the world's longest-serving heads of state, has family ties to Sudcam's parent company SPPH. One source alleges that is the reason that land acquisition rules were not respected.<sup>42,43,44,45</sup>

The plantation lies only a dozen kilometres east of the Biya's Mvomeka'a mansion and airstrip. In March 2012 UNESCO inspectors were refused access to the Sudcam zone 'for so-called security reasons'.<sup>46</sup>

## Endnotes

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